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In the latest edition of the Competition Law Newsletter, we cover the first ever Settlement order passed by the Competition Commission of India (**Commission/CCI**), along with a rare penalty decision and other significant enforcement and combination orders.

CCI PASSES ITS FIRST SETTLEMENT ORDER – AND SEES ITS FIRST DISSENT OF CURRENT TERM

On [21 April 2025](#), the CCI passed its first settlement order in a case against Google for allegedly abusing its dominant position by enforcing restrictive agreements on Original Equipment Manufacturers (**OEMs**), in relation to its Android TV Operating System (**OS**).

The Commission had started the investigation vide its *prima facie* order back in [June 2021](#). The investigation concluded that Google has a dominant position in the relevant market of ‘*licensable Smart TV device operating system in India*’ and Google Play Store is dominant in the market for ‘*App Store for Android Smart TV OS in India*’. It found that Google’s agreements – Television App Distribution Agreement (**TADA**) and the Anti-Fragmentation Agreements/Android Compatibility Commitments (**ACC**), when executed together, imposed unfair terms by requiring the pre-installation of its full app bundle Google TV Services, preventing OEMs from developing or using Android forks, and hindering innovation. These agreements extended across entire device portfolios and included the tying of services like YouTube with the Play Store, strengthening Google’s market dominance.

Faced with penalties imposed in two other matters, which it is currently battling in appeal, and global scrutiny in multiple jurisdictions, Google decided to offer a proposal for settlement. The Commission considered the settlement proposal and observed that under the ‘New India Agreement’ – proposed by Google as a way out, Google will provide a standalone license for the Play Store and Play Services for Android smart TVs in India, thereby removing the requirement to bundle these services or impose default placement conditions.

Additionally, by waiving the need for a valid ACC for devices shipped into India that do not include Google apps, OEMs would now be open to selling and developing incompatible Android devices without violating the TADA.

Consequently, Commission agreed to the proposal for settlement in terms of Section 48A (3) of the Act

and the CCI (Settlement) Regulations, 2024, for a period of five years, and the final settlement amount, after applying a Settlement Discount of 15%, was INR 20.24 crore (INR 202.4 MN).

Dissenting member Mr. Anil Agarwal however was of the opinion that Google’s proposal did not eliminate the existing arrangements under TADA which were *prima facie* found to be contravening the provisions of the Act, rather it placed the OEMs in a position to opt for the New India Agreement at additional costs, while the bundled applications under TADA remain free and come at the cost of restrictive conditions.

CCI RULES AGAINST DIGITAL CINEMA SERVICE PROVIDERS UFO & QUBE FOR RESTRICTIVE LEASE AGREEMENTS

The CCI, vide order dated [16.04.2025](#), found UFO Moviez India Ltd. (UFO) and Qube Cinema Technologies Pvt. Ltd. (Qube) in contravention of Sections 3(4)(a), 3(4)(b), and 3(4)(d) read with Section 3(1) of the Act. The case pertained to anti-competitive practices in the markets for supply of Digital Cinema Equipment (DCE) on lease to Cinema Theatre Owners (CTOs) and provision of Post-Production Processing (PPP) services in India.

The DG noted that within the *market for leased DCI Compliant DCEs*, the market share of UFO and Qube is almost 40% and 48% respectively of the total screens. The Commission noted that while market share is significant, it is not the sole determinant of market power and other factors such as coverage, widespread and significant presence play a role. UFO and Qube ranked high on these factors as well as confirmed by the responses of various industry participants. Accordingly, the Commission concluded that UFO and Qube were players of significant influence and market power.

Furthermore, the Commission observed that UFO and Qube imposed restrictive clauses in their lease agreements with CTOs, tying the lease of DCEs to the exclusive supply of content processed by their affiliates. As a result of these restrictive clauses producers could to avail the services of UFO and Qube for the post production processing of films including mastering, encryption, delivery and so on.

The CTOs could not exhibit movies where the post production services had been done by a third party (such as the complainant PF Digital).

These practices were found to have an appreciable adverse effect on competition, as they created barriers to entry, foreclosed competition, and hindered innovation in the market.

The Commission directed UFO and Qube to and modify existing agreements to remove such restrictions and and/or execute new lease agreements. Additionally, monetary penalties were imposed of both parties: UFO and Scrabble were collectively fined INR 104.03 lakh (INR 10.4 MN), while Qube was fined INR 165.8 lakh (INR 16.58MN), calculated based on their relevant turnover from leasing DCEs and post-production services over the preceding three financial years.

CCI APPROVES THE ACQUISITION OF BW COAL MINES BY NIPPON STEEL AND JFE STEEL

CCI, vide order dated [18 February 2025](#), approved the proposed transaction involving (a) acquisition of 20% shareholding in BW Coal Mines by Nippon Steel, and (b) acquisition of 10% shareholding in BW Coal Mines by JFE Steel.

The Commission noted that some of the affiliates of Nippon and JFE exhibit a horizontal overlap with BW Coal Mines in the market for sale of coal, including in the narrow market for coking coal in India. However, the combined market shares of the parties were miniscule, and thus CCI concluded that it was not likely to cause any appreciable effect on competition.

With regards to vertical overlaps, the CCI noted that the affiliates of Nippon Steel and JFE are also present in the market for sale of finished steel in India, which required coking coal to produce. However, given the limited market share of the parties, CCI observed again that the overlap is not likely to cause any competition foreclosure and approved the combination.

CCI APPROVES ACQUISITION OF RAJ PETRO SPECIALITIES BY SHELL

Vide order dated [4 March 2025](#), the CCI approved the acquisition of 100% of the subscribed and paid-up equity share capital of Raj Petro Specialities Private Limited by Shell Deutschland GmbH and Shell Overseas Investments B.V.

The CCI noted that businesses of the parties exhibit horizontal overlaps in the manufacture and sale of lubricants and coolant. However, given that the combined market shares of the parties are insubstantial, the noted that the same is not likely to raise any competition concerns.

With regards to the vertical overlap, CCI noted that Shell Group is engaged in the manufacturing of Base Oil, which can be used for the production of different types of lubricants by the target. Therefore, there exists an exhibit vertical relationship between the activities of the parties. However, given the meagre market share and presence of significant competition in the market, CCI unconditionally approved the proposed combination.

CCI CLEARS ROQUETTE'S ACQUISITION OF IFF'S PHARMA AND NUTRACEUTICAL EXCIPIENT BUSINESS

The CCI, vide order dated [04 March 2025](#), approved the acquisition of the Pharma Solutions business and certain product lines of International Flavors & Fragrances Inc. (IFF) by Roquette Frères S.A. (Roquette).

The CCI observed that both Roquette and the Target business were active in the production and supply of pharmaceutical excipients, specifically Microcrystalline Cellulose (MCC) and Croscarmellose Sodium (CCS), in India. The parties exhibit horizontal overlaps in the segments of MCC and CCS for pharmaceutical / nutraceutical applications. For MCC, the combined market share of the parties for CY 2023 was 15–20% by volume and 20–25% by value. For CCS, the combined share was higher, in the range of 25–30% by volume and 40–45% by value. The CCI however noted that the incremental market share was only 0-5% and there were several other competitors in the market. Thus, it determined that the overlap was not likely to raise significant competition concerns.

In terms of vertical overlaps, the CCI considered a potential vertical relationship between the Target's global supply of Hydroxypropyl Methylcellulose (HPMC), an alternative to gelatin in capsule manufacturing, and Roquette's downstream supply of HPMC based hard capsules. However, given Roquette's low market share of 0–5% in the alternative polymer capsule segment, the Commission concluded that no foreclosure concerns

arise. Accordingly, the proposed combination was approved.

CCI DISMISSES ALLEGATIONS OF CARTELISATION IN SUPPLY OF ELECTRO LOCOMOTIVE ITEMS

Vide order dated [30 April 2025](#), the CCI dismissed allegations of cartelisation against Kharagpur Metal Reforming Industries Private Limited (**KMRI**) and Kay Pee Equipment Private Limited (**KPEPL**) in the supply of electro locomotive items, specifically – Motor Suspension Units (**MSUs**) for locomotives.

The present case was referred to the CCI by Chief Material Manager of Banaras Locomotive Works, in Varanasi, on the receipt of a complaint received by

the Railway Board. The vigilance officers of the respective departments had submitted investigation reports stating that there appeared to have been cartelization in the procurement via the tenders. The informant stressed on the fact that reports found that the rates quoted by all the parties had a marginal difference of 0.5% to 1.75% for several tenders.

The CCI requested for further details relating to the dates of the tenders, production units, IP addresses, dates and times of the submission of the bids, award rates, total quantity awarded etc. but concluded that there was no evidence of any concerted actions between the parties. The CCI held that the “*mere quoting bids in the range of 0.50% to 1.75% does not indicate any suspicion of bid rigging*” and accordingly dismissed the information.

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